

beneficial to France after the great influx of gold from California and Australia and which has proved so beneficial to Scotland under her system of free banking". The government has not put in jeopardy the solvency of the bank by its agricultural loans, for the entire amount on December 16, 1895, was 27,466,804 credit roubles, and had been materially reduced in 1908.

The capital of the Bank of Russia was fixed by the new statutes at 50,000,000 roubles (\$38,000,000), and the limit of the special reserve was increased from 3,000,000 roubles to 5,000,000 roubles. It was proposed at first to raise the new capital by setting aside annually ten per cent, of the profits, but this process was soon regarded as too slow and a decree of February 6, 1895, provided for taking the necessary amount from the surplus in the Imperial Treasury.¹ Losses by the bank are met from the reserves, and, in case of their exhaustion, are to be carried to the debit account of the Treasury. The management of the bank is entrusted to the Minister of Finance and the annual accounts are submitted to the Imperial Council.³ The number of branches at the close of 1907 was 113.

The accounts of the Bank of Russia were stated in a similar manner to those of the Bank of England, in the separation of the issue from the banking department. The bills of credit are government notes for all practical purposes and the bank itself, even in its banking operations, is little more than a bureau of the Treasury. A circulation of 769,342,911 roubles was based upon government obligations and corresponded to the "authorized circulation" of the Bank of

¹ *Bulletin Russe de Statistique*, April, 1895, 200.

² M. Witte, the eminent Finance Minister, also created a board of Treasury officers known as the Council of the Bank and corresponding, according to his view, "to the similar councils in the central "banks of Western Europe." These boards take the place of the Council of Imperial Institutions of Credit, created in 1817, which contained representatives of the nobility and of the business community, and the change is criticized by M. de Cyon on the ground that it has brought the bank entirely under official supervision with **no** external check.—M. Witte et les Finances Russes, 145.